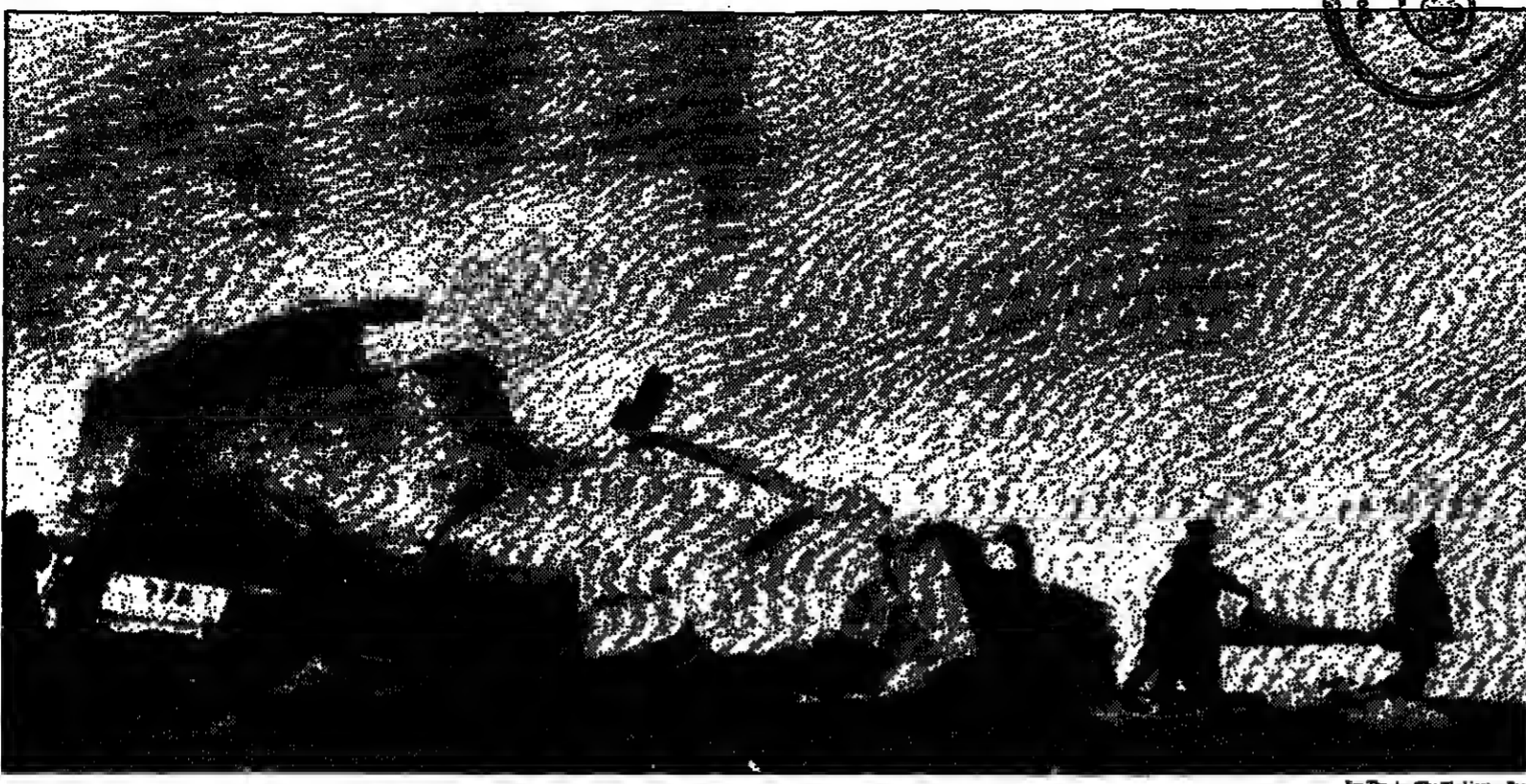


Warsaw Revamps Economy New Laws Favor Investment in Private Sector

By Jackson Diehl
WARSAW — The Communist leadership Friday took a major step toward radically modifying the country's economic system as the parliament approved two laws removing controls on privately owned businesses and encouraging foreign investment.



Policemen carrying a body on a stretcher away from the nose section of Pan Am Flight 103, which crashed in Scotland on Wednesday night, killing all aboard.

Flight 103 Tape Ends Abruptly With No Clue Of Malfunction

By Sheila Rule
NEW YORK TIMES SERVICE
LOCKERBIE, Scotland — The cockpit voice recorder of the plane that crashed here on Wednesday night showed completely normal flight-deck conversations until it cut off abruptly, and an unidentified noise came at the end of the tape, investigators said Friday.

Knowledge of Threat Poses Legal Question

The Associated Press
WASHINGTON — The fact that the U.S. government and Pan American World Airways were both aware of a bomb threat before the crash of a 747 jumbo jet on Wednesday could raise liability problems for the airline, but probably not for the government, according to U.S. legal authorities.

Finnish Police Clear Man in 747 Crash

By Barry James
International Herald Tribune
Police in Helsinki revealed Friday that the anonymous caller who tipped the U.S. Embassy about a plan to put a bomb aboard a U.S. airliner leaving Frankfurt had implicated a fellow Arab.

Kiosk

U.S. Breaks High-Tech Case

MIAMI (NYT) — The U.S. Customs Service said Friday it had broken up one of the largest international high-technology smuggling operations it has ever investigated with the arrest of a Dutch national.



Michael Milken of Drexel Burnham Lambert Inc. The Wall Street portrayed in the government case against the company is not a pretty place.

General News

Meat rationing has been imposed in a vast fertile area of the Soviet Union.

Business/Finance

The current account deficit in Britain narrowed to £1.61 billion in November.

Table with exchange rates for Dollar, DM, Pound, Yen, and FF.

For Namibia, Limits to New Freedom

By William Claiborne
WASHINGTON POST SERVICE
JOHANNESBURG — When South-West Africa finally wins its independence next Nov. 1 after three-quarters of a century of South African colonial rule, its sovereignty, initially at least, will be little more than symbolic.

Spain Places Huge Order For Trains

Compiled by Our Staff From Dispatches
MADRID — RENFE, the Spanish state railway company, said on Friday it would buy 24 high-speed trains from Alstom SA of France and 75 locomotives from Siemens AG of West Germany.

This Christmas, Bethlehem Is Town Under Wraps

By Glenn Frankel
WASHINGTON POST SERVICE
BETHLEHEM, West Bank — Christmas festivities are only a day away, but it's hard to tell in the little Arab town where the Bible says Jesus was born.

The Many Versions of Scrooge: Mostly Bah and Humbug

By Caryn James
NEW YORK — On one recent night, U.S. television viewers could have seen Albert Finney in the 1970 movie musical "Scrooge" singing "I hate people!" interrupted by a fried-chicken commercial featuring Mr. Scrooge (chicken so cheap, even a miser likes it), followed by an advertisement for the new film "Scrooged" with Bill Murray declaring in a most matter-of-fact tone, "Bah, humbug."



Three Scrooges: Alastair Sim, Scrooge McDuck and Bill Murray; at right, Charles Dickens.



Viewers who get their Dickens from film might never guess that "A Christmas Carol" is an ominous, disturbing ghost story, in which Marley's specter appears amid "incoherent sounds of lamentation and regret; wailings inexpressibly sorrowful and self-accusatory," and in which Scrooge views his own corpse wrapped in a burial sheet.

100% Airport Security: 'Very Difficult'

By Douglas Jehl
Los Angeles Times Service

WASHINGTON — Terrorism and aviation security experts say the modern systems meant to insure security of airports and airlines can do little to defend against a determined terrorist carrying a bomb and willing to die for a cause. Although the cause of the crash on Wednesday of a Pan Am 747 remains unknown, the suspicion of a terrorist attack clearly underscores the vulnerability of the world's transportation system.

New, sophisticated plastic explosives can easily pass undetected through airport security checks. And international rules requiring airlines to match all loaded baggage to a passenger are useless against terrorists willing to go down with the plane, experts said. "Even if security is stepped up to the maximum," said Terrence Arnold, an expert on terrorism who is a consultant to the State Department, "100 percent security for a long period of time is very difficult to deliver. It's just the mechanics of it."

Pamela Hanlon, a Pan Am spokeswoman, said: "We feel confident that we are doing as much as we can. But obviously, one never feels totally confident." If terrorists were to blame in the Pan Am crash, they succeeded despite an alert from U.S. authorities to Pan Am and the Frankfurt airport, whose reputations for security are among the world's best. If a bomb was the cause, it almost certainly was made from plastic explosives.

Such explosives, which U.S. officials have said are available to some terrorists through the Libyan government, are so powerful that a golf-ball-size chunk will blow up a freezer, and a suitcase-full will level an entire city block, according to Neil Livingstone, an author and consultant on terrorism. But they remain virtually undetectable by conventional security means, able to be formed into innocuous shapes, "rolled into sheets or crammed into a Walkman," Mr. Livingstone said. On airport security screens they show up only as a "dense type of substance."

Mr. Arnold, the consultant to the State Department, said that even if terrorists had succeeded against the brightened security in bringing the plane down, "one of the things we don't know is how hard they tried." The chances of succeeding with one trial are not very good, he said. "But with a large airport, a large number of airplanes, and a large number of passengers—particularly at Christmas—sooner or later they're going to get through." Without firm evidence about the

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Arabs Seized by Germans Had Air-Pressure Bomb

The Associated Press

FRANKFURT — A West German official said Friday that the police discovered an air-pressure-activated bomb in October during the arrests of Palestinian suspects, but emphasized that it was too soon to say whether there was any connection to the crash of the Pan American World Airways 747. "It's pure speculation," said Alexander Prechtel, spokesman for the West German federal prosecutor's office. The bomb is set off by a drop in air pressure, such as those occurring in the luggage compartment of an airplane, he said. Pan Am Flight 103 originated in Frankfurt and landed in London, where passengers changed from a Boeing 727 to the Boeing 747. Meanwhile, Arno Falk, a spokesman for the federal police office in Wiesbaden, said West German investigators were checking details of the crash and were in contact with investigators in London.

Mr. Prechtel noted that 13 Palestinians were rounded up in a series of nationwide raids in West Germany in October. Three were later placed under arrest, and the others were set free and remain under investigation. He said the suspects who were arrested belonged to the Popular Front for the Liberation of Palestine-General Command. "They have said they planned attacks against U.S. interests," Mr. Prechtel said. Authorities said the suspects apparently set up a terrorist cell in West Germany. The Syrian-controlled faction is opposed to the Palestine Liberation Organization leader, Yasser Arafat, and is headed by Ahmed Jibril, a former Syrian Army captain. Mr. Prechtel said officers in the town of Neuss, near Düsseldorf, found in a car used by one member of the group a bomb that is activated by a drop in air pressure.

"Naturally, you can see a connection," he said, when asked whether members of the group could have been involved in the Pan Am crash. "They may have built several of these bombs." He said the bomb was hidden inside the car's radio. Pan Am crash, some experts remained wary about speculating on the cause of the flight's demise. "It either blew or it broke," said John Galpault, director of the Aviation Safety Institute, an independent watchdog group in Worthington, Ohio. Others noted that only an extremely powerful or well-placed bomb could have succeeded in destroying the plane so suddenly that the crew was unable to call for help.

WORLD BRIEFS

U.S. Restricts Exercises on Okinawa

TOKYO (UPI) — U.S. military forces in Okinawa, under criticism for accidentally firing into homes and for flying low over rooftops, closed a shooting range Friday, indefinitely suspended jet fighter plane flights and expressed "deep regret" to the local population. A U.S. Forces spokesman in Japan said an investigation showed that 90 Marines were involved in a combat exercise on the Camp Hansen firing range Oct. 15 when bullets were accidentally fired into the nearby village of Iga. The spokesman said U.S. military officials "pledged their units will continue to place the greatest emphasis on protection of individuals and their property in the conduct of essential military training."

Swedes Deporting a Former Suspect

STOCKHOLM (Reuters) — Sweden said Friday it would deport a Kurdish man formerly considered by the police to be a vital source of information on the murder of Prime Minister Olof Palme. The Foreign Ministry said the Kurd, who was not named, was being extradited to West Germany, where authorities want to question him on a murder charge. It gave no other details. The man, a former member of a Kurdish separatist movement, the Kurdistan Workers Party, was regarded as a key informant during a period when that party was believed involved in the murder of Mr. Palme in February 1986. The police last week arrested a Swede, Carl Gustav Christer Petersson, a former mental patient with a record of violent crime, on suspicion of shooting Mr. Palme.

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Russian Official to See Zahir Shah

ROME (Reuters) — A senior Soviet official arrived in Rome on Friday for what diplomats described as highly significant talks on the future of Afghanistan with the former Afghan king, Zahir Shah. Italy said the Soviet official, Yuli M. Vorontsov, a deputy foreign minister who is also the Soviet ambassador to Kabul, was in Rome for talks on Saturday with Foreign Minister Giulio Andreotti. But Western diplomats said Mr. Vorontsov would also meet with Zahir Shah, who lives in exile in Rome. It would be the first known direct contact between Zahir Shah, who was toppled in a 1973 coup, and the Soviet government. The former king has shunned contacts with Moscow for fear they might undermine his standing with Afghan rebel groups.

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BEIJING (Reuters) — Prime Minister Rajiv Gandhi of India wound up a five-day visit to China on Friday, with a joint communique stating that the two sides desired "to restore, improve and develop India-China good-neighboring and friendly relations." Mr. Gandhi, making the first visit to China by an Indian leader in 34 years, said he was laying the foundation for stable relations between the two countries, which clashed along their disputed border in 1962. Neither he nor top Chinese officials offered any immediate solution to the dispute. But the two countries set up a working-level group to meet on border issues and signed accords on science, culture and aviation. The Indian leader said a key achievement of his five-day visit was the personal bond he had established with Chinese leaders, among them Deng Xiaoping, the senior leader, Zhao Ziyang, the Communist Party chief, and Prime Minister Li Peng.

Brazilian Environmentalist Is Slain

SAO PAULO (Reuters) — One of the best-known ecological campaigners in Brazil, Francisco Mendes, was shot to death Thursday night in the Amazonian state of Acre, the police said Friday. An outspoken campaigner against the degradation of the Amazon rain forests, Mr. Mendes was shot while walking near his home in the town of Xapuri, 190 kilometers (117 miles) southwest of the state capital of Rio Branco. Mr. Mendes, 44, had long believed his life to be in danger and often clashed with big landowners. Mauro Esposito, a police superintendent, said by telephone from Rio Branco that the main suspects were two cattle ranchers.

For the Record

President Chadli Bendjedid was re-elected Friday in Algeria to a third five-year term, receiving the approval of 81 percent of voters in a one-candidate election, officials said. The results showed 88.6 percent of the nation's 12 million eligible voters cast ballots. (UPI) Prime Minister Noboru Takeshita of Japan has canceled a visit to the United States that was scheduled to begin Jan. 5, government sources said Friday. A Japanese news agency said the trip was called off for domestic political reasons. (AFP) Suspected Basque guerrillas killed a bar owner and fired four grenades at a Civil Guard barracks in overnight attacks, the police said Friday in Pamplona. A guard searching for the attackers at the barracks in Alesua was wounded by a booby trap. The bar owner was shot three times through the head in his bar in Zarauz on Thursday night. (Reuters) South Korea will free 1420 convicts and juvenile delinquents Saturday in a Christmas amnesty, the Justice Ministry said Friday. Officials said the clemency order by President Roh Tae Woo would not include political prisoners. (Reuters)

TRAVEL UPDATE

Yugoslavia has protested to France for retaining visa requirements for Yugoslavs while relaxing them for other nationalities outside the European Community. Belgium newspaper quoted a Foreign Ministry spokesman as saying that Yugoslavia might retaliate. (Reuters) Portuguese airline maintenance employees will strike Dec. 30 and 31 to press for better conditions and career prospects, their union said Friday. Most TAP-Air Portugal flights were canceled or delayed when maintenance workers held a one-day stoppage last week and the two-day New Year strike is likely to cause similar disruption. (Reuters) Record numbers of travelers were expected to pass through O'Hare airport in Chicago during the holiday travel week. City aviation officials predicted 2.4 million people would go through O'Hare between Friday and Monday, Jan. 2. A United Airlines spokesman said the carrier boarded 216,210 passengers systemwide Thursday, 50,405 of them at O'Hare. The numbers eclipsed the previous record of 211,605 systemwide and 49,815 at O'Hare set the Monday after Thanksgiving. (UPI)

West German Traffic Jam Had Deadly Consequences

By Amy Goldstein
Washington Post Service

WASHINGTON — It had been 16 months since First Lieutenant George W. Williams, 24, began his tour in West Germany, and he was grateful when his parents surprised him with an early Christmas present: a plane ticket for his first trip home to the small town of Joppatowne, Maryland. But he became stuck in traffic when he set out on Wednesday on the 60-mile (100-kilometer) drive north from the Bad Kreuznach Army base to the Frankfurt airport. And when his direct flight to Washington took off, it left Lieutenant Williams on the ground. He exited Pan American Airlines into giving him a seat on the next flight and made a quick phone call home. "He was just a little apologetic," his father, George H. Williams, said Thursday from his home in the Harford County town northeast of Baltimore. "He knew my wife would think he probably slept late, but he hadn't." Lieutenant Williams ended up on Pan Am Flight 103. "I always felt grief was selfish," said the elder Williams, whose son won a full ROTC scholarship and earned lieutenant's bars as a helicopter artillery observer. "But he was my only child. He was it." Lieutenant Williams was a young man who tested life and himself — skydiving, exploring caves, skiing in the Alps. But he was not entirely comfortable far from home, his father said. To be closer to his family, Lieutenant Williams transferred from Tulane University in New Orleans to Western Maryland College, a small liberal arts school in Westminster. Sixteen months into a three-year stint in West Germany, he was asking to go home.

Soviet Food Crisis Worsens

Newspaper Decries Meat Rationing in Vast Fertile Area

MOSCOW — Meat rationing has been imposed in a large part of the Soviet Union's biggest republic and butter sales restricted in some of the country's most fertile regions, suggesting a major crisis in food production. The newspaper Sovetskaya Rossiya, reporting December figures for the Russian Federation on Friday, said that a widening gap between growing incomes and the supply of food and consumer goods was sowing public discontent and stimulating inflation. The Russian Federation is by far the largest of the 15 Soviet republics, stretching from the Baltic to the Pacific. While much of its territory is remote and under permanent, its southern parts include some of the most fertile land in the Soviet Union. Sovetskaya Rossiya said that a seven percent increase in meat production and a six percent rise in dairy output in the republic this year had clearly been insufficient. "In one-third of the regions of the Russian Federation meat is being sold by ration coupons," the newspaper said. It said that the same system had been applied to butter sales in the Volgograd and Rostov regions of south Russia. The report did not say when rationing was introduced, but made it clear that the agricultural situation had deteriorated sharply this year in several areas. Potato and vegetable supplies were 19 percent below the planned figure, it said, and sugar was still being rationed in 67 of the 86 territories in the Russian Federation.

Yugoslav Envoy To Spain Is Killed

GUADALAJARA, Spain — Yugoslavia's ambassador to Spain, who was reportedly being investigated in Yugoslavia because of alleged links to the Nazis in World War II, has been killed in a car crash near Madrid, authorities said. Redzai Suroi was driving alone when his car hit a concrete bridge pillar near Guadalajara, 30 kilometers (30 miles) east of Madrid, on Thursday. Newspapers in Yugoslavia have reported that Mr. Suroi, 59, had served with Nazi occupying forces and that he was being investigated by the government.

Pope and Arafat Hold Vatican Talks

Pope John Paul II and Yasser Arafat exchanging gifts Friday during their meeting at the Vatican.

By Clyde Haberman
New York Times Service

ROME — Pope John Paul II received Yasser Arafat on Friday and told him that Israel and Palestinians had "an identical fundamental right to their own homelands," but both must reject violence, including terrorism and reprisals. The pope also encouraged the two sides to begin talks soon that might lead to peace in the Middle East, a Vatican statement said. "It is a path that is still perhaps very long and certainly difficult," the statement said. "Nevertheless, certain recent events seem to try to meet the expectations of those populations." The pope did not specify these events, but he was obviously refer-



Pope John Paul II and Yasser Arafat exchanging gifts Friday during their meeting at the Vatican.

ing to such developments as the Palestinian leader's stated acceptance of Israel's right to exist, his renunciation of terrorism and the resumption of contacts with the United States. Mr. Arafat, head of the Palestine Liberation Organization, also met Friday with Prime Minister Ciriaco De Mita and other Italian leaders. While the Italians offered encouraging words, they also made clear that they were not about to fall out of step with the rest of Western Europe, and would not recognize the independent Palestinian state that Mr. Arafat declared last month. The Palestinian leader apparently did not expect any more than that, and he gave no sign of disappointment. On the contrary, he said at a news conference later that the discussions were "constructive and positive." It was a whirlwind visit to Rome for Mr. Arafat, who arrived and left under heavy security. In all, he stayed barely eight hours on what was announced as the first leg of a tour of Western Europe intended to round up support for a Palestinian state. Asserting that his own organization was interested in peace, he strongly attacked the new Israeli government, saying that its platform was that "of the Likud and fanatical religious groups." Asked about the crash Wednesday of a Pan American World Airways plane in Scotland, Mr. Arafat said that if it turned out to be a case of sabotage, "it's a criminal action which we condemn."

AND FOR A MOMENT YOU HELD YOUR BREATH IN THE PROMISE OF ENDLESS BIRTHDAYS TO COME. OMEGA FOR ALL YOUR SIGNIFICANT MOMENTS.



OMEGA ALWAYS MARKS SIGNIFICANT MOMENTS. IN THE OLYMPICS IN THE SPACE PROGRAM IN SIGNIFICANT LIVES LIKE YOURS THE OMEGA CONSTELLATION FOR YOU BOTH.

Rights Groups Report an Orwellian North Korea

By Susan Chira
New York Times Service

TOKYO — In a rare glimpse into North Korea, two human-rights organizations have issued a report describing a society marred by extensive rights abuses and denied by regimentation. The report, compiled by Asia Watch and the Minnesota Lawyers International Human Rights Committee, includes these vignettes of life in one of the world's most closed societies: "A North Korean spy decides to defect when he discovers that he, too, is being spied on, through a bug in his government-issued Mercedes-Benz." "A North Korean official who tells a friend that a North Korean team lost a game in the 1976 Olympics disappears the next day and is sent to a remote factory." "A typical day for a North Korean woman begins at 5:30 A.M., when she rises before her family to prepare food, then works at a full-time job, spends two hours in political study groups, and finally begins several hours' housekeeping at 11 P.M." The report relies on interviews with tourists, defectors, and North Korean residents, as well as published accounts in a range of foreign languages, because North Korea would not let researchers enter the country, which is sealed off from most non-communist visitors. The report draws a portrait of a rigidly stratified society in which all people are judged by their loyalty to the North Korean leader, Kim Il Sung. It indicates that any opposition, however mild, brings reprisals ranging from forced labor to long imprisonment to torture. And all recreational and cultural activities center around a Kim Il Sung personality cult, the report says. In a letter sent to the groups after reviewing the draft report, Pak Gil Yon, a North Korean representative to the United Nations, where the country has permanent observer status, condemned the document as "full of lies and fabrications defaming our country." The report says all North Koreans are unofficially divided into at least three groups, the divisions determining the quality of their housing, medical care, and clothing; the quantity of food rations they receive; their access to luxuries such as appliances and travel; and the severity of their treatment if they commit crimes. The most privileged people, who are allowed to live in Pyongyang, North Korea's showcase city, belong to the "core" perceived to support the state unwaveringly. They include high party officials, diplomats, and other professionals. The second tier is the "waver-

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BRIEFS

forces in Okinawa... Minister Felipe Gonzalez... See Zahir Shah... as in China on the... Hanoi Admits Economic Faults... th Korea

AMERICAN TOPICS

Salvation Army Left Out in Cold by Malls

The Salvation Army's traditional Christmas bell ringers are increasingly finding themselves forced out in the cold by indoor shopping malls...

Former Suspect in Murder of Rev. Dr. King

Sweden said Friday it would drop a case involving a man accused of being a vital witness in the assassination of Dr. Martin Luther King Jr. by James Earl Ray...

Short Takes

The signs say "Always Open," but for the first time in 35 years, the 1,221 Denny's restaurants around the United States will close their doors...

Job-Hunters Besiege Bush Transition Team

Gifts Galore, Along With Resumes, In the Competition for 4,307 Posts

WASHINGTON — People are showering gifts and attention on President-elect George Bush's transition staff, and not because it's Christmas...

Curt Richter, Pioneer Of Biorhythms, Dies

NEW YORK — Curt Paul Richter, 94, a retired professor of psychology at the Johns Hopkins Medical Institutions who was a pioneer in the discovery and study of biorhythms, died Wednesday in Baltimore...

Hanoi Admits Economic Faults

BANGKOK — The Vietnamese National Assembly has ended a stormy session with a dismal report on the economy and an apology by Prime Minister Do Muoi for the government's lack of economic success...

Jackson Spurns Advice on '92 White House Race

California, the Third-Ranking Member of the House Democratic Leadership

WASHINGTON — The Reverend Jesse L. Jackson has rebuffed the advice of other leading Democrats that he should seek some less-er governmental office, like the Senate...

Central American Summit Talks Imperiled

THE HONDURAN foreign minister, Carlos Lopez Contreras, said Wednesday that the decision by the International Court of Justice, as the tribunal is officially known...



Trial Ends in a Smile for Former Miss America

Bess Myerson, 64, a former Miss America, following her acquittal by a New York jury of charges that she tried to influence the divorce case of a male companion by arranging for the daughter of a judge hearing the case to get a city job...

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INTERNATIONAL Herald Tribune

Tragedy Over Scotland

The Pan American tragedy in Scotland, in fact it resulted from a terrorist's bomb, makes real a horror that flickers into the imagination of most of us only as a terrible and remote possibility.

Wall Street's Watergate

With the prosecutors' latest triumph, the insider trading scandal unfolding in New York has come to resemble, in one respect, the Watergate affair.

Limp, Lumpy, Lopsided

The world, it has been said, is divided between those who love salt and those who love sugar. It is also divided between those who can wrap packages and those who cannot.

Other Comment

The Terrorists' Real Power For a New Initiative on Debt The World Bank report on world debt, issued this week, estimates that in 1989 the 17 most indebted countries, mainly in Latin America, will give rich countries and multinational leading institutions \$31.1 billion more than they will receive—triple the 1983 differential.

ground static of threatened violence, prompting some extra alertness, the utter suddenness of the event in the air, the pattern of the falling debris, the lack of a basis for blaming structural failure, the glowing telephone call afterward claiming that the act was in retaliation for the U.S. navy's accidental downing of an Iranian airliner over the Gulf in July.

much of a firm's assets on indictment without waiting for conviction. The law was written to prevent a criminal organization such as a drug ring from dispersing its millions during a trial.

on the side of allowing too much. The nice triangular fold at either end of a package will become a not-so-nice triangular bulge. About their use of Scotch tape: it will be profligate. Ideally the tape should run inconspicuously along the seam where the edges meet.

the side of allowing too little paper they will cut. Picture those who cannot. They are staring at a kitchen counter heaped with wrapping paper, tags, ribbon, tape and Christmas presents that, except for books and ties, invariably come in irregular shapes.

More Peace on Earth, Thanks to These Men

By William Pfaff

PARIS—There is a great deal more peace and good will among men this Christmas than anyone had a right to expect a year ago. This is due, in large part, to the disinterested efforts of a number of people willing to attack problems most of whom in public life had become content to ignore, or had despised of setting.

The secretary-general of the United Nations, Javier Pérez de Cuellar, has been indefatigable, and ultimately successful, in his effort to arrange a ceasefire in the Gulf War and to find terms on which a Soviet withdrawal from Afghanistan could begin. Chester Crocker, the U.S. assistant secretary of state, has done a signal service with his long, complex campaign to find a solution to the Namibian problem and the Angolan civil war.

East-West relations have changed because of Mikhail Gorbachev's realism and Ronald Reagan's willingness to take Soviet initiatives seriously. In the case both have acted in conscious pursuit of national interest; nonetheless the individuals have counted.

Mideast: The Open Door May Lead to a Stone Wall

By Alexander M. Haig Jr.

WASHINGTON—The new American-PLO dialogue justifies neither Israeli despair nor Palestinian euphoria. Nor is it the stupendous breakthrough that some Middle East watchers would like to believe.

WASHINGTON—Among the many routes and reveals that leave our civilization, those associated with Christmas are the most. Our capacity for taking life philosophically, the task of eating a yule-festive cookie without coating yourself with powdered sugar is as difficult as spelling preternance, but it is easier than eating fruitcake, the worst feature of this season.

of disinterestedness, of obligation to interests apart from their own, however flawed or compromised by circumstance and social outlook and ambition each may have been.



Prayer in Armenia.

Mr. Shultz to endorse a limited international conference as part of a revised American peace plan. The troops of the intifada—the inhabitants of the West Bank and Gaza—have forced the PLO to do what it had sworn for years never to do—to agree to U.S. rhetorical conditions.

HALF a million children have died in the last year as a result of their countries' economic decline or stagnation. Recession in the 1980s has cut family incomes by up to a fourth in Africa and Latin America.

WASHINGTON—The door of a different Middle East has opened. But whether the difference leads to peace will depend on whether the Bush administration develops a clear Middle East policy, rather than being driven into a series of isolated acts that would make a just peace more difficult to achieve.

ans made it a children's and families' celebration, which it remains, despite the commercial battering it has been given in recent years. At its core, though, there is nothing commercial.

United Nations Resolutions 242 and 338, Israel's right to exist and renunciation of terrorism) will be revisited over the early months of the dialogue. Still, Mr. Arafat, even more so than Mikhail Gorbachev, has forced his agenda onto Washington even before George Bush takes office.

Only if that situation can be changed without deciding beforehand the ultimate status of the territories can a productive Israeli-Palestinian dialogue develop. But this runs counter to the PLO's political campaign. More importantly, it runs counter to Moscow's drive to become a "partner" with the United States in resolving regional crises.

THE Challenge of the Child HALF a million children have died in the last year as a result of their countries' economic decline or stagnation. Recession in the 1980s has cut family incomes by up to a fourth in Africa and Latin America.

WASHINGTON—The door of a different Middle East has opened. But whether the difference leads to peace will depend on whether the Bush administration develops a clear Middle East policy, rather than being driven into a series of isolated acts that would make a just peace more difficult to achieve.

From Bush, The Right Spirit So Far

By James Reston

WASHINGTON—During the presidential campaign, Michael Dukakis insisted that "competence" rather than "ideology" should be the main issue, and that is precisely the word being applied here to George Bush's transition appointments.

None of this will settle the debate over the budget, Middle East policy, or arms control. But these debates will be conducted in a different atmosphere. Mr. Bush knows that little can be done without bipartisan support. Accordingly, he is not denouncing his opponents but talking to them: to the Democratic leaders, educators and environmentalists, and even to the press. He has held more news conferences since the election than President Reagan had all year.

When people talk to Mr. Reagan about why he looks so good, despite all his problems, he tells them the story of the young psychiatrist who complained to the old psychiatrist that he was a wreck from listening to his clients' difficulties. Why, he asked, did the old psychiatrist always look so tidy and serene. "Very simple," the old man said, "I never listen." That's the main change here: Mr. Bush listens.

THE writer was U.S. secretary of state in 1981 and 1982. He contributed this column to The Washington Post.

100, 75 AND 50 YEARS AGO 1888: Evanescent Glory LONDON—The Herald says: "The London Observer comments upon the absence of enthusiasm over the erection of the new statue to Wellington in London, and the dying out of the 'Wellington worship.'"

1913: For the People WASHINGTON—President Wilson signed the Currency Bill at six o'clock this evening in the presence of a large gathering. He said that without minimizing the tariff law, it was the first of a series of great constructive measures the Democrats hoped

1938: A Pharaoh's Meal CAIRO—Thirty feet below the desert level at Sakha, Walter Amery, young British archaeologist, today (Dec. 23) discovered the tomb of an Egyptian Pharaoh and examined his mummy placed there 5,000 years ago, 3,000 years before Tut Ankh Amen was born. A meal set for the king was found on a table beside his crumpled coffin. It contained food which Mr. Amery recognized as fish, meat, game and cakes. The wooden sarcophagus had dissolved into dust, but its contents were intact. In chambers adjoining the main tomb were jars of wine and perfume hermetically sealed. Mr. Amery was the first man to enter the tomb since the dawn of Egyptian civilization.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1978-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUEBNER, Publisher JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ARI, KATHERINE KONOR • CHARLES MITCHELMORE, Deputy Editor • CARL GEWIRTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editorial Pages • JAMES R. CRATE, Business Financial Editor • RENE BONDY, Deputy Publisher • ALAIN LECOUR, and RICHARD H. MORGAN, Associate Publishers • FRANÇOIS DESJARDINS, Circulation Director • ROLF D. KRANEFELD, Advertising Sales Director • KOURT HOWELL, Director, Information Systems International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698. Directeur de la publication: Walter N. Thayer. Editor for Asia: Michael Robinson, 5 Conventry Rd., Singapore 0511. Tel. 472-7768. Telex RS9288. Managing Dir. Asia: Michael Glenn, 50 Gloucester Road, Hong Kong. Tel. 5-8610616. Telex 61170. Managing Dir. U.K.: Robin Mackenzie, 63 Long Acre, London WC2E. Tel. 836-4802. Telex 262009. Gen. Mgr. W. Germany: W. Lanerbach, Friedrichstr. 15, 10000 Frankfurt/M. Tel. (069) 726733. Telex 416721. Pres. U.S.: Michael Cowley, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 735-3890. Telex 427175. S.A. au capital de 1.200.000 F. RCS Nanterre B 23201126. Conventions Parisiennes No. 61327 © 1988, International Herald Tribune. All rights reserved. ISSN: 0294-8032.

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POLAND: Radical Laws

(Continued from page 1) new laws but caution that it remains to be seen whether and how they will be implemented in practice. In recent years, even far less generous provisions for private enterprise were blocked on a day-to-day basis by the party and government bureaucracy, especially at the local level.

Activists of Solidarity, the banned trade union, also argue that the government measures do not touch on the bulk of the economy, which remains state owned and state managed.

Government officials say the two laws passed Friday are part of a package of several dozen laws that will fundamentally restructure the economy over the next several years. The parliament has already been presented with legislation that would create a commercial banking system in Poland next year and legalize the black market in foreign exchange, in effect making the Polish zloty convertible with the dollar inside Poland.



In Manger Square, clergymen emerge from the Church of the Nativity amid watchful Israeli soldiers.

BETHLEHEM: Christmas in a 'Fortress' City

(Continued from page 1) his traditional Christmas Eve pilgrimage to Bethlehem. "Who can be happy or feel like celebrating these days when every family is in sorrow and in their houses there is no joy?" asked a spokesman for Bishop Sabbagh. Mayor Elias Frej of Bethlehem, a Christian Arab considered one of the area's most prominent political moderates, banned Christmas tree lights from Manger Square and acceded to the Bethlehem Boy Scout troop's request to boycott Mr. Sabbagh's annual Christmas Eve pilgrimage to the Church of the Nativity.

Mr. Frej says that he will be there because protocol requires it but that other residents plan to stay home. He has also canceled his annual Christmas Eve reception for the second year in a row. "On Christmas this is going to be a fortress city," said Mr. Frej, glancing out his office window at the square, where about two dozen soldiers armed with automatic weapons could be seen. "I am the mayor of Bethlehem and I am a Christian, but first and foremost I am a Palestinian Arab. What do the Israelis really expect from us? To bow our heads and say, 'Lord bless the occupation?'"

NAMIBIA: Influence of Past

(Continued from page 1) parities in Namibia, a fractious territory of 11 racial and ethnic groups, SWAPO has broad support among the Ovambo people in the north, who comprise more than half of the Namibian population of 1.2 million. More than 95 percent of SWAPO's Angola-based guerrillas are Ovambo tribesmen.

The next-largest tribal group, the Hereroes, also played a major role in Namibian independence, forming the nucleus of the South-West Africa National Union (SWANU) in 1959 with the backing of China. However, SWANU has split into ideological factions over the years, with one branch siding with the Democratic Turnhalle Alliance, headed by Dirk Mudge, the white minister of finance in the multiracial transitional government sanctioned by South Africa. Mr. Mudge was the first white politician in power in Namibia to advocate a black majority government under universal franchise.

Political analysts say that SWAPO opponents, including the SWANU branch aligned with the transitional government and some of Namibia's 100,000 whites, could form a new front to fight the elections and force SWAPO to form a coalition government. Leaders of the internal SWAPO political wing in Windhoek, which has not been outlawed by South Africa despite the bitter guerrilla war, say that they will be watching closely to see whether Pretoria promotes and funds the relatively conservative opposition during the campaign, as it did when Zimbabwe became independent in 1979.

CRASH: Cockpit Tape of Flight 103 Ends Abruptly

(Continued from page 1) by the State Department and the Federal Aviation Administration, but not to the general public. "If you stop to think about it," he said, "such a public statement, with nothing but a telephone call to go on, would literally have closed down all the air traffic in the world."

Since the crash, there have been several incidents, all false alarms, that seemed to undermine the difficulty of dealing with telephoned threats. On Thursday, a plane carrying 242 passengers made an unscheduled landing in Rome after receiving a warning that was a bomb aboard, and in London, a plane took off five hours late for the United States because of a similar threat.

On Friday, an Air India plane flying toward New York returned to Heathrow International Airport in London because of a bomb threat. In another incident, a suspect suitcase forced hundreds of Christmas travelers to evacuate one of the terminals at Heathrow for nearly an hour, but the bomb squad found it contained only clothing.

In Lockerbie, about 70 bodies found by search parties were still outdoors, and about 80 were placed in a makeshift morgue in the town hall. Many bodies are thought to have been pulverized by fire and the impact of the 747 slamming into the ground. Papers, items of clothing and a mailbox from the plane have been found up to 80 miles away.

Mr. Charles of the Transport Department said the spread of debris over many miles was "not unusual," since the plane was six miles high and winds were 115 knots. "In these circumstances a lot of the debris is going to be sent a very long distance."

An aviation safety consultant and former investigator for the U.S. National Transportation Safety Board, Frank Taylor, said a cockpit recording that appeared normal until the end could indicate an explosion knocked out communications, electricity and perhaps even severed the cockpit from the aircraft. Mr. Taylor made his comments in Washington on Thursday, before cockpit data from the Pan Am flight were made public.

Although aviation experts were reluctant to provide details, it is generally known that an explosive device placed in certain areas of the baggage compartment of a Boeing 747 could wipe out computer, electrical and communications systems as well as possibly incapacitate the flight crew.

Chief Constable John Boyd said the police had not accounted for 17 residents of Lockerbie, four of their children. At least five people were presumed killed in cars set ablaze by exploding wreckage. Four Americans on board the plane were State Department employees. A State Department official said two of the Americans were involved in diplomatic security. One worked at the U.S. Embassy in Niassa, and the other at the U.S. Embassy in Beirut. Two others were diplomats assigned to the Beirut embassy, he said. (AP Reuters)

SEARCH: Helsinki Police Clear Man in 747 Crash

(Continued from page 1) was seen as an indication he had nothing to hide from the police. The U.S. Embassy declined comment on the Dec. 5 call, referring all questions to the State Department. A spokesman for the Israeli Embassy said that it had received no telephoned warnings recently.

U.S. officials may have been in the alert for a radical Palestinian threat in the Nordic area following an attack on Athens on July 11 on a Greek ferry boat, the City of Poros. The organizer of the attack is believed to have been based in Sweden. With the help of Interpol, the international criminal police organization, Greek detectives identified the apparent mastermind of that attack as Samir Mohammed

Kadar, a reputed henchman of Abu Nidal. Mr. Kadar married a Finnish woman in 1986 and lived with her in Stockholm until he disappeared shortly before the attack on the City of Poros. Interpol sources say it is not certain if Mr. Kadar is still alive or whether he was killed in an explosion in Athens on July 11, when two or more persons suspected of involvement in the ferry assault died in the premature explosion of a bomb they were handling.

Abu Nidal is believed to be the pseudonym of Sabri Khalil al-Banna, leader of a Libyan-backed terrorist band that has carried out attacks against Jews, moderate Arabs and Westerners. In Jerusalem, the foreign minister, Moshe Arens, said in a radio interview that he blamed "Arab international terrorism" — a coded reference to Palestinian terrorism — for downing the plane Wednesday. Mr. Arens said that the dialogue begun recently between the United States and the Palestine Liberation Organization would "strengthen the wave of terror and encourage terrorist groups and activities."

3 Teen-Agers Find \$547,000

LOCKERBIE, Scotland, — Three teen-age boys found an envelope containing \$547,000 in traveler's checks in the wreckage of the Pan Am air crash. The three — Stewart and Robbie Dodd, 14 and 13, and Alan Hyslop, 14 — discovered the brown envelope on Thursday in a chunk of wreckage near their farm about six miles (10 kilometers) from the main crash site in Lockerbie. The police later collected the envelope.

Forster Dodd, the father of Stewart and Robbie, said: "Some of the checks were for several thousand dollars. It seemed to be official mail — the package said something like 'U.S. Mail Service,' and on it was written how much was inside, \$547,000."

LIABILITY: Questions Raised

(Continued from page 1) for Pan Am in New York, said that a memo from the Federal Aviation Administration about the threat also stated: "The information in this bulletin is solely for the use of U.S. carriers and airport security personnel and may not be further disseminated without the specific approval of the director of civil aviation security."

Richard I. Spiers, the State Department undersecretary for management, suggested that chaos would result if the government reacted to each terrorist threat. "One of the kind of problems you face is overkill," Mr. Spiers said. "You get a lot of these threats; people tend to get bored with it." "We try to be responsible," he said. "We try to make sure that everybody who is possibly involved receives this information. But we're not the airlines ourselves."

NYSE Most Actives table with columns for Volume, High, Low, Last, Change. Lists top trading stocks like Ambrd Int'l, Intel, etc.

Market Sides table with columns for NYSE 4 p.m. volume, NYSE 4 p.m. close, etc.

NYSE Index table with columns for Composite, Industrials, Finance, etc.

Fridays NYSE Closing logo with text 'Via The Associated Press'

AMEX Diary table with columns for Class, Prev. Price, etc.

NASDAQ Index table with columns for Composite, Industrials, Finance, etc.

AMEX Most Actives table with columns for Volume, High, Low, Last, Change. Lists active stocks on AMEX.

Dow Jones Bond Averages table with columns for Bonds, Utilities, Industrials.

NYSE Diary table with columns for Advance, Decline, Unchanged, etc.

Odd-Lot Trading In N.Y. table with columns for Buy, Sales, etc.

Dow Jones Averages table with columns for Open, High, Low, Last, Change.

Standard & Poor's Index table with columns for Industrials, Finance, etc.

NASDAQ Diary table with columns for Advance, Decline, Unchanged, etc.

AMEX Stock Index table with columns for High, Low, Close, Change.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

New York Stocks Edge Higher

NEW YORK — Stock prices closed higher Friday in the second-slowest session of the year on the New York Stock Exchange, as investors took advantage of the market's midweek slump to go shopping for pre-Christmas bargains. The Dow Jones industrial average, which fell 4.28 points Thursday, rose 8.57 to 2,163.93. For the week, the 30-stock index gained 18.22 points.

New York Stock Exchange listing table with columns for 12 Month High, Low, Stock, Div., Yld. PE, etc.

Large table of stock prices including AMEX Stock Index, Dow Jones Averages, and various individual stock listings.

ECONOMIC SCENE

New Controls on Buyouts Being Considered by SEC

By STAN HINDEN
Washington Post Service

WASHINGTON — Wall Street, already scarred by the Drexel Burnham Lambert affair, has been warned that the Securities and Exchange Commission is considering new controls on the investment bankers and corporate raiders involved in the wave of buyouts that have swept the United States.

On Thursday, only a day after directors of RJR Nabisco Inc. were ordered by a congressional committee to reveal private details of the \$25 billion buyout of their firm, SEC Chairman David S. Ruder gave the House subcommittee on telecommunications and finance a list of his agency's major concerns about the buy-out phenomenon.

Mr. Ruder said the SEC was worried about:

- Legal loopholes permitting some raiders to avoid the detailed financial disclosure required in buyouts by management.
- The accuracy of so-called "fairness letters" from investment bankers that are used to establish reasonable prices for buyouts.
- The risks being assumed by brokerage firms and institutional investors who help finance the buyouts.

In the next several months, at least three other Senate and House committees are scheduled to take up various aspects of the leveraged buyout, in which investors finance the acquisition of a company with heavy borrowing, counting on sales of company assets to handle the new debt.

The technique, which has large tax advantages for the buyer, has become highly controversial because the huge debts that result leave companies far more vulnerable to failure during a business recession. There is growing concern, Mr. Ruder said, that banks, thrifts and insurance companies may be putting too much money into financing multibillion-dollar buyouts.

Similar concerns exist about the risk levels assumed by institutional investors who buy large amounts of junk bonds and investment banks and brokerage firms that get involved in bridge loans for leveraged buyouts, he said.

SUCH COMMITMENTS "may limit the flexibility of the institution in other areas of business or in the event of rising interest rates or a recession," the SEC chairman said. "A particular concern in these situations is that the failure of a leveraged company may cause significant losses to these institutional creditors."

The subcommittee chairman, Edward J. Markey, a Massachusetts Democrat, concentrated his fire on the "fairness letter," which generally is prepared by an investment banker for a company whose management is trying to buy the concern. The letter attests that the price offered by management is fair.

"Typically," Mr. Markey said, "the investment bank relies almost exclusively on the limited information about the company supplied by management, and the letter usually states that the firm has made no independent verification of the information."

Mr. Markey urged Mr. Ruder to consider requiring that buy-out proposals be accompanied by at least one fairness letter from an adviser who has no financial stake in the outcome. He also suggested that those who prepare fairness opinions be given more complete access to company records.

Mr. Ruder also expressed a general dislike for the way in which fairness opinions are obtained. "All in all," he said, "I am quite suspicious in a significant number of cases that the fairness opinion is prepared by somebody with an incentive to go along with management."

Mr. Ruder noted that the fairness opinion generally has come under state jurisdiction in the state's role as overseer of corporation law. "The problem is very difficult," he said.

Unilever Said to Mull Bid AmBrands Stock Soars on Rumor

By Calvin Sims
New York Times Service

NEW YORK — For the residential customer who does not make a lot of long-distance calls, the breakup of the Bell System has come to mean two things — confusion and higher rates.

Five years after a federal district court ordered the breakup of the Bell System, the vast U.S. telecommunications monopoly, the cost of local telephone service has risen substantially. And although long-distance rates have fallen, most customers do not make enough calls to derive any benefit from the lower rates.

Many new services have been added, and connections are often clearer. But consumers must also cope with complicated, multi-page bills that reflect the additional charges now built into telephone service. There are the frustrations of buying their own equipment and getting it repaired and the need to make numerous decisions about an aspect of daily life they once took for granted. Moreover, many people are still confused by the breakup and view it as a mistake, consumer advocates and some regulatory and telecommunications executives say.

"People continue to believe that we should have never tried a system that wasn't broken," said David Wagenhauser, a staff attorney with the Telecommunications Research Action Center, a consumer affairs group based in Washington.

Much of the confusion among consumers stems from the increasing number of decisions they are being asked to make about their telephone service and equipment.

Consumers must choose among the three long-distance carriers — American Telephone & Telegraph, MCI Communications Corp., and U.S. Sprint Communications Corp. — and also among the various calling plans that each carrier offers.

"With divestiture, you have to make so many more decisions that most people just don't want to be bothered with," said Mr. Wagenhauser.

For example, consumers have to decide whether to buy their telephones or rent them in a market where dozens of telephone makers offer equipment of varying quality.

A case in point occurred recently at an AT&T Phone Center Store on East 86th Street in Manhattan. Rosa Garcia, 65, waited on line for 20 minutes to have her telephone repaired. When she reached the service desk, the clerk informed her that although her telephone was official AT&T equipment, she would have to pay for the repair

AT&T Breakup: Lasting Confusion Phone Bills Are Sharply Higher For Many Users

By Calvin Sims
New York Times Service

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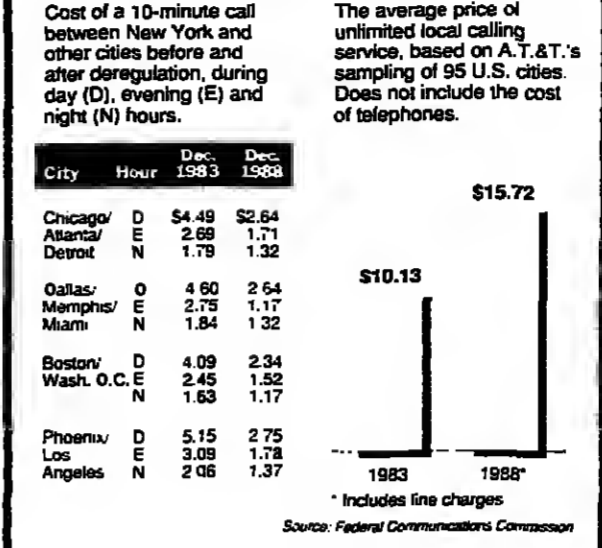
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Bell System Breakup: Mixed Results Long-Distance Charges Have Dropped . . . But Local Charges Have Increased



Trade Deficit In U.K. Shrank In November

By Peter J. Wall
New York Times Service

LONDON — Britain's current account deficit narrowed to £1.61 billion (\$2.9 billion) in November, an improvement on October's revised record gap of £2.53 billion but still the third-worst shortfall on record.

Economists said that while the November trade data were a decided improvement from October, they by no means removed fears that the British economy is growing too rapidly.

"It's a measure of the nervousness of the City that the third-worst figures on record can be greeted with such relief," said Richard Jeffrey, director of economics at Security Pacific Hoare Govett.

"We are back to the average of recent months, and have not improved on those figures," agreed Anthony Thomas, chief economist at Kleiworth Benson Ltd. in London. "Those figures are still too high."

The British Department of Trade and Industry estimated the current account deficit from January to November at £13.38 billion. Chancellor of the Exchequer Nigel Lawson forecast last month the current account deficit for all of 1988 would be £13 billion.

Mr. Lawson had predicted lower trade deficit figures for November and had labeled October's figure a "freak." Treasury officials had claimed that a September postal strike distorted the October figures.

Financial markets were generally relieved that the November data contained no surprises. Some economists said the data would ease pressure for another rise soon in interest rates.

On the foreign exchange market, the British pound closed at 3199.1 Deutsche marks and at \$1.8200 on Friday in London, up from closing levels of 3192.23 and \$1.7990 a day earlier.

The London stock market, which plunged 38 points after the announcement of October's record deficit, staged a small rally after the November figure. The FT-100 London Stock Exchange index rose 5.3 points to close at 1,774 after a half day of trading.

"I think in the context of those horrendous figures for October the market was looking for reassurance," said Peter Fellner, gilt and monetary economist at James Capel & Co.

The government has warned that Britain's trade balance will remain in the red for months to come and has sharply increased interest rates since June to try to dampen a consumer boom, which has sucked in imports.

Base interest rates at British banks have nearly doubled to 13 percent from 7.5 percent in June.

The opposition Labor Party in Britain continued to hammer away at the government's interest rate policy on Friday, accusing it of taking unjustifiable risks with the economy.

"These figures complete the worst six months in trading history," said Bryan Gould, Labor's trade spokesman. "We have reached the point when merely avoiding another monthly record deficit is treated as good news."

The November figures showed that British exports rose by 2.5 percent in November to £6.9 billion, compared with £6.7 billion in October.

See TRADE, Page 11

Currency Rates

City	Unit	Rate	Change
Amsterdam	D	1.85	0.01
Frankfurt	M	1.85	0.01
London	£	1.85	0.01
Paris	F	185	0.01
Geneva	S	1.85	0.01
Stockholm	K	1.85	0.01
Oslo	N	1.85	0.01
Madrid	P	1.85	0.01
Lisbon	\$	1.85	0.01
Rome	L	1.85	0.01
Nairobi	S	1.85	0.01
Doha	D	1.85	0.01
Singapore	S	1.85	0.01
Yokohama	Y	1.85	0.01
Tokyo	Y	1.85	0.01
Hong Kong	H	1.85	0.01
Beijing	R	1.85	0.01
London (2nd)	£	1.85	0.01
London (3rd)	£	1.85	0.01
London (4th)	£	1.85	0.01
London (5th)	£	1.85	0.01
London (6th)	£	1.85	0.01
London (7th)	£	1.85	0.01
London (8th)	£	1.85	0.01
London (9th)	£	1.85	0.01
London (10th)	£	1.85	0.01
London (11th)	£	1.85	0.01
London (12th)	£	1.85	0.01

U.K. Plant Orders Could Buoy GEC-CEG Offshoot

By Peter J. Wall
New York Times Service

LONDON — Britain is set to launch one of the biggest power plant ordering programs of the 1990s and U.K. suppliers are making alliances and weighing plans to tap this multibillion pound market, industry analysts say.

The spate of orders should coincide with Britain's £15 billion to £20 billion (\$27 billion to \$36 billion) sell-off of its electricity generating and supply industry starting in 1990.

It is part of an effort to tap that order flow that General Electric Co. of Britain and Compagnie Générale d'Electricité of France said Thursday that they had agreed to combine power generation activities to form Europe's second-largest power engineering group.

The GEC-CEG link is the latest in a series of alliances that is reshaping the electrical industry worldwide. It follows the trailblazing merger last year of Asea of Sweden and Brown Boveri of Switzerland to form ABB Asea Brown Boveri AG — the largest electrical-engineering company in Europe with sales of \$18 billion.

That privatization of Britain's electricity generating and supply industry should provide a

Seamy Side of the Street: The Drexel Accusations Pursuit of Profits Damaged Clients

By Floyd Norris
New York Times Service

NEW YORK — The Wall Street revelation in the case against Drexel Burnham Lambert Inc. is not a pretty place.

The crimes to which the investment bank is said to have admitted in its plea bargain indicate a belief that rules are there to be evaded or broken, and that the pursuit of profit justifies even steps that will damage a client.

In almost all the accusations to which sources at Drexel say the firm will plead guilty, the common thread is of trades that were illegally concocted or concealed.

The accusations show an investment bank with myriad interests, often conflicting, that were not disclosed to regulators, customers or the public.

The six felony counts to which Drexel intends to plead guilty cover many, but not all of the accusations made in a civil suit filed by the Securities and Exchange Commission in September.

Drexel's settlement with the U.S. attorney depends in part on its settling the SEC charges.

One case in which Drexel is said to have prepared to admit guilt involved a client, COMB Co., a discount mail-order retailer now known as CVN Cos. Using Drexel as its underwriter, COMB wanted to borrow money by selling bonds

that could later be converted into common stock.

In such cases, the company benefits if the stock price is relatively high when the bonds are sold, because that allows it to set a higher conversion price for the bonds. A lower conversion price makes it easier for the underwriter to sell the bonds.

Although the sources did not say exactly what charges involving COMB were covered in the plea agreement, a previous indictment naming a Drexel employee said he illegally arranged trades aimed at holding down the stock price, making the sale more expensive for COMB.

The claim, put forth by the government in a suit that named a Drexel broker, Bruce Leo Newberg, as a defendant, is that Mr. Newberg, who has pleaded not guilty, induced Princeton-Newport Partners, a Drexel client, to sell short 40,000 shares of COMB stock on April 11, 1985, as the bonds were being priced.

The government claims that Princeton-Newport was just a front in the trade, with Drexel promising to indemnify it for any losses incurred.

Short sales would be expected to hold down the price of the stock, and thus harm Drexel's underwriter.

See DREXEL, Page 11

Interest Rates

Instrument	Rate
1 month	8.75%
3 months	9.25%
6 months	9.75%
1 year	10.25%
2 year	10.75%
3 year	11.25%
5 year	11.75%
10 year	12.25%
30 year	12.75%

Antitrust Inquiry Targets Newspaper Deal in Miami

By Stuart Auerbach
Washington Post Service

WASHINGTON — The Justice Department has begun an antitrust investigation into a newspaper arrangement that would allow Cox Enterprises Inc. to close The Miami News next week while sharing for the next 33 years in profits from the Miami Herald, its sole competitor.

The Justice Department announcement came on Thursday. On the same day, the News reported that Cox had acquired stock in Knight-Ridder Inc., which owns the Herald, in 1985 and 1986 as the two corporations were negotiating a new joint operating agreement.

The stakes of between 1 percent and 5 percent of Knight-Ridder's stock, has since been sold. A stake of that size can, in some situations, be large enough to provide leverage in a company's operations, although this was not the case of the Cox holding.

The revised joint operating agreement between Cox's News and Knight-Ridder's Herald replaces one that had been in force since 1966 and continues the merger of the two papers. The new agreement provided an incentive for Cox to fold or sell the unprofitable News by giving it a share of Knight-Ridder profit until the year 2021, whether or not it publishes a paper.

The Justice Department declined Thursday night to say whether it

Stake Built in Unigate

By Peter J. Wall
New York Times Service

LONDON — Unigate PLC, the British dairy and meat concern, said Friday that an Irish meatpacker had acquired a 4.9 percent stake in it, a move that analysts said could herald bid interest in Unigate.

Unigate said the stake had been acquired by or on behalf of Laurence J. Goodman, chairman and chief executive of Goodman International Ltd. The company confirmed it had bought shares in the market.

Goodman International is based in Ardee, County Louth. The company had sales of 517 million Irish punt (\$786.2 million) in 1986.

Unigate posted revenue of £2.16 billion (\$3.88 billion) for 1987. It is involved in a range of food manufacturing and processing activities including milk, cheese, meat and poultry products.

On the London Stock Exchange, Unigate shares rose 2.5 pence to close at 332. In the last week or so, the shares have risen from about 287 pence on market speculation of stakebuilding.

About 6.7 million shares in Unigate traded Friday morning. Recent market talk has identified BSN of France and Kraft Inc., recently acquired by Philip Morris Cos., as potential bidders for Unigate. "They're not necessarily out of the running now," an analyst said.

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Friday's NYSE Closing Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE High Low Close

(Continued)

Table A: NYSE stock listings including companies like AmGen, Amgen, and Amgen.

Table B: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table C: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table D: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table E: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table F: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table G: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table H: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table I: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table J: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table K: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table L: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table M: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

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Table O: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

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Table R: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table S: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table T: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table U: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table V: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table W: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table X: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

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Table Z: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table AA: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

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Table AC: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

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Table AE: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

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Table AG: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table AH: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table AI: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

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Table AK: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

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Table AM: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

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Table AO: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

Table AP: NYSE stock listings including companies like Amgen, Amgen, and Amgen.

NYSE High-Lows

NEW HIGHS 27

NEW LOWS 26

AMEX High-Lows

NEW HIGHS 22

NEW LOWS 15

Foreign Boutiques Gain Foothold in Japan With Department Store Link

TOKYO — Major department stores are offering foreign consumers a foothold in Japan's hard-to-crack retail market through specialty boutiques selling luxury, brand-name goods.

The big stores have only recently recognized the advantages of links with international brands in image-conscious Japan, retail analysts say.

"Rising personal incomes and the demand for luxurious, genuine goods dictates exclusive types of stores," said Ken Egusa, a retail analyst for the brokerage Morgan Stanley Japan.

In return, U.S. and European specialty shops are happy to benefit from the opportunity to attract as many affluent Japanese consumers as possible, a Japanese analyst said.

Mitsukoshi, Japan's largest department store chain, opened five in-store boutiques in the last quarter of 1988 in an exclusive accord with Coach Leatherware Company of New York.

Analysts see such tie-ups as a good way for both parties to penetrate new markets.

Coach will have outlets in all 18 Mitsukoshi stores "within two or three years," said Peter Emerson, Coach's New York-based vice president for international.

In-store boutiques allow foreign retailers to maintain high-quality brand images without establishing themselves in first-class shopping areas without having to pay Tokyo's exorbitant commercial rents.

Both sides will also benefit when it comes to setting up small shops in newly developed suburban shopping centers. Current laws allow local shopkeepers to delay suburban expansion by large stores but the specialty stores are not affected.

The United States is pushing Japan to ease the law and streamline its cumbersome retail network, saying they restrict market access for foreigners.

The department stores also want the tie-ups so they can develop merchandise overseas that matches Japanese consumer tastes, the Japanese analyst added.

Mitsukoshi also has in-store boutiques for Tiffany's, the New York jewelry company and Eero, an Italian accessory shop.

Tokuyama, another of Japan's up-market department stores, this year set up two in-store shops — with Dalmeida, to sell West German sunglasses, and with Peck, selling Italian pasta.

Tokyo Department Store formed a joint venture with Williams-Sonoma of the United States to open an in-store kitchenware and linen shop in October. After establishing the venture, Tokyosinsu is to open up to 200 more throughout Japan, a spokeswoman said.

Transco Buying CSX Gas Interests For \$571 Million

United Press International

HOUSTON — Transco Energy Co. announced Friday that it had agreed to buy a natural gas pipeline subsidiary of CSX Corp. and two related companies for \$571 million.

The agreement calls for Transco to acquire Texas Gas Transmission Corp., a wholesaler and transporter of natural gas that is based in Owensboro, Kentucky. Prior to the closing, expected this spring, Texas Gas will pay CSX a cash dividend of \$75 million.

Transco officials said the purchase should have a positive effect on its 1989 earnings and allow the Houston-based company to concentrate on the natural gas pipeline business.

George S. Slocum, chief executive of Transco, said he planned to operate Texas Gas as an independent entity that will keep its headquarters in Owensboro.

Transco plans to finance the purchase with up to \$350 million of non-recourse term debt committed by Manufacturers Hanover Trust Co. and up to \$200 million from the sale of a new issue of Transco cumulative preferred stock. A private investor group, Corporate Partners, has agreed to buy the stock, Mr. Slocum said.

Transco also announced Friday that it had signed an agreement with CNG Transmission Corp. that will provide 250 million cubic feet a day of pipeline capacity for Texas Gas to increase deliveries to new markets in the New York-New Jersey area.

CNG also has an option to purchase half of Texas Gas up until 30 days after Transco's acquisition is completed.

Texas Gas operates a 4,000-mile (9,680-kilometer) pipeline system that extends from the Gulf of Mexico and East Texas through Louisiana, Arkansas, Mississippi, Tennessee, Kentucky and Indiana, ending in southwestern Ohio.

Transco already operates a 10,000-mile natural gas system from the Gulf of Mexico that has a capacity of 3.1 billion cubic feet.

CSX, based in Richmond, Virginia, purchased the natural gas pipeline system and other Texas Gas interests in 1983.

سكرا من الاصل

U.S. Futures

Table with columns: Commodity, Contract, High, Low, Close, Change. Includes sections for Grains, Soybeans, and Livestock.

Table for Metals section with columns: Commodity, Contract, High, Low, Close, Change.

Table for Livestock section with columns: Commodity, Contract, High, Low, Close, Change.

Table for Food section with columns: Commodity, Contract, High, Low, Close, Change.

Table for Currency Options section with columns: Commodity, Contract, High, Low, Close, Change.

Table for Financial section with columns: Commodity, Contract, High, Low, Close, Change.

Table for Dividends section with columns: Company, Dividend, Date, Yield.

Table for Spot Commodities section with columns: Commodity, Contract, High, Low, Close, Change.

Table for S&P 100 Index Options section with columns: Index, Contract, High, Low, Close, Change.

Table for Paris Commodities section with columns: Commodity, Contract, High, Low, Close, Change.

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Table for U.S. Futures section with columns: Commodity, Contract, High, Low, Close, Change.

Table for Grains section with columns: Commodity, Contract, High, Low, Close, Change.

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Table for Spot Commodities section with columns: Commodity, Contract, High, Low, Close, Change.

BUSINESS ROUNDUP

Lockheed Bolsters Takeover Defense Japan Lines, Yamashita Plan Merger

NEW YORK — The stock of Lockheed Corp. rose sharply Friday after Valhi Inc. said it had filed to increase its stake in the military contractor beyond \$15 million worth of shares.

Charles Leeds, an arbitrator at Balis Zorn Gerard Inc., said he was not surprised by Valhi's move, as Mr. Simmons had in the past sought out "companies that are very undervalued and are out of favor. Lockheed certainly is a perfect fit."

Lockheed said it believed that Valhi could not purchase more than 15 percent of the company's voting securities without special clearance over the Hart-Scott-Rodino waiting period expires. Lockheed said its amended rights plan provides, among other things, that a redemption of rights or any further amendments must now be made with the concurrence of a majority of the company's continuing directors.

Boston Co. Suspends Three And May Restate Earnings

BOSTON — Boston Co. a unit of Shearson Lehman Hutton Inc. said it has suspended three top officers while it investigates discrepancies in its 1988 financial report.

Lockheed said Valhi had filed under the Hart-Scott-Rodino anti-trust improvements act to increase its holdings, which after the gain Friday in Lockheed's stock price, are valued at about \$16 million.

The merger will be on an equal basis. The merged company to be capitalized at around 19.6 billion yen (\$157.4 million), is expected to post about 180 billion yen in annual revenue and operate 160 bulk carriers and about 50 tankers, the companies said.

COX: U.S. Investigates Miami Deal

(Continued from first finance page) arrangement was struck in January 1987. "They made a good profit and went away pleased with their investment," said the president of Knight-Ridder, James B. Batten.

The New York Times reported that the Miami Herald Publishing Co. will pick up only half the News' losses next year and none after that.

Japan Lines has a cumulative loss of about 50 billion yen and Yamashita-Shimnibu Steamship 25 billion yen, according to a Japanese newspaper, Asahi Shimbun.

Stock Indexes

Table with columns: Index, High, Low, Close, Change. Includes SP Comp. Index, NYSE Comp. Index, etc.

Commodity Indexes

Table with columns: Commodity, Close, Previous. Includes Oil, Sugar, etc.

AT&T Tie-Up Allows Sumitomo Into U.S. Optical Fiber Market

NEW YORK — Sumitomo Electric Industries of Japan and American Telephone & Telegraph Co. have agreed to form a company to manufacture optical fibers, the hair-thin glass wires used in telecommunications.

BELL: Customers Are Confused

(Continued from first finance page) lines that connect two localities. After the breakup, the goal became 48 working days. Service has improved, and today the target is 17 to 23 days.

Mitsubishi Plans Factory in France

TOKYO — Mitsubishi Electric Corp. will establish in France its first production facility in continental Europe, the Japanese electronics company said Friday.

Hanson Acquires Cummins Stake

WASHINGTON — Hanson PLC said Friday it holds 866,800 shares, or 8.32 percent, of the outstanding stock in Cummins Engine Co. and will seek government approval to acquire as much as 15 percent.

London Commodities

Table with columns: Commodity, Contract, High, Low, Close, Change.

Paris Commodities

Table with columns: Commodity, Contract, High, Low, Close, Change.

Dividends

Table with columns: Company, Dividend, Date, Yield.

Spot Commodities

Table with columns: Commodity, Contract, High, Low, Close, Change.

Spot Commodities

Table with columns: Commodity, Contract, High, Low, Close, Change.

Spot Commodities

Table with columns: Commodity, Contract, High, Low, Close, Change.

Dining Out section containing restaurant listings for Cannes, Paris 7th, Paris 8th, Paris 10th, Paris 14th, Paris 15th, Paris 18th, Paris 19th, Paris 20th, Paris 21st, Paris 22nd, Paris 23rd, Paris 24th, Paris 25th.

Various financial and market data tables on the left side of the page, including U.S. Futures, Grains, Soybeans, Livestock, Food, Currency Options, Financial, Dividends, Spot Commodities, S&P 100 Index Options, Paris Commodities, London Commodities, and U.S. Treasuries.

Various financial and market data tables in the middle section of the page, including U.S. Futures, Grains, Soybeans, Livestock, Food, Currency Options, Financial, Dividends, Spot Commodities, S&P 100 Index Options, Paris Commodities, London Commodities, and U.S. Treasuries.

Various financial and market data tables on the right side of the page, including U.S. Futures, Grains, Soybeans, Livestock, Food, Currency Options, Financial, Dividends, Spot Commodities, S&P 100 Index Options, Paris Commodities, London Commodities, and U.S. Treasuries.

CURRENCY MARKETS

Dollar Closes Steady In Pre-Holiday Trading

NEW YORK — The dollar closed steady Friday as the market settled down for the long Christmas holiday, somewhat relieved that an assault on the U.S. currency, which occurred at this time last year, appeared unlikely, dealers said.

London Dollar Rates

Table with 2 columns: Currency, Rate. Includes Deutsche mark, Pound sterling, Japanese yen, Swiss franc, French franc.

Belgium Lowers 2 Rates

BRUSSELS — The central bank lowered Belgium's most important interest rate Friday following last week's rate increases. The Banque Nationale de Belgique cut the rate on three-month Treasury certificates to 7.5 percent from 7.65 percent. It also cut the rate for one- and two-month certificates to 7.4 percent from 7.5 percent.

Brokers Find Tokyo Market Crowded

Foreigners Feel the Squeeze in Vying With Japan's Big 4

TOKYO — Foreign securities houses are fighting a tough battle in Japan and the first casualties may be their research departments, according to brokers. They conquered new ground in the booming Tokyo securities markets of the mid-1980s. But the worldwide decline in share trading after the October 1987 turmoil may force them to retreat.

"If you're a Japanese firm sitting in Tokyo, you're likely to choose a Japanese broking firm," said Henry Strutt, deputy general manager of Jardine Fleming securities Ltd. There are now 47 licensed foreign brokerages in Japan. Six obtained seats on the Tokyo Stock Exchange in February 1986 and another 16 in May 1988. They handled 4.2 percent of volume on the exchange in October, an official said.

DREXEL: Charges Show Seamy Side of Wall Street

(Continued from first finance page)

appear that Golden Nugget was able to sell its stock at a profit. Another matter in which Drexel is said to be willing to admit wrongdoing is Victor Posner's 1985 purchase of a controlling stake in Fischbach Corp.

relationships and interests that have often appeared in transactions involving Mr. Milken. It involves Harris Graphics, a company in which Mr. Milken and other Drexel employees owned a stake. Mr. Milken is said to have worked tirelessly at trying to persuade a long list of clients to buy the company.

TRADE: Britain's Current Account Deficit Narrows

(Continued from first finance page) His opinion was borne out Tuesday by news of a slowdown in November borrowing from banks and building societies. Also encouraging earlier this month was a 0.5 percent drop in retail sales in November, compared with a 2.0 percent October surge.

Mr. Lawson said earlier this week that the weapons of high interest rates, with which the British government is attempting both to subdue inflation and correct the growing current account gap, look as though it is beginning to work.

TRAIN: Spain Splits Rail Orders

(Continued from page 1)

er of the trains to Spain, Alsthom was expected to gain an important advantage in future bids on other high-speed systems, which may be built in countries such as the United States.

Under the agreement, Alsthom will acquire a stake in Spain's two government-owned railway building concerns, Maquinaria Terrestre y Maritima and Aetina. Alsthom is also reportedly discussing buying Spain's four private railway building companies, which will help it win a greater share in the massive Spanish rail modernization program that is expected to last until the end of the century.

Friday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume.

Table of OTC prices for various stocks including ABB, ABB, ABB, etc.

Table of stock prices for various companies including ABB, ABB, ABB, etc.

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YEARS AGO

1938: A Pharaoh's Burial. Cairo — Thirty feet below the sands of the Giza pyramid, the remains of a pharaoh were discovered by a team of British archaeologists.

Christological Titles BY JOHN M. SAMSON

Crossword puzzle grid with numbers 1-113 and a list of clues including '36 Desiccated', '37 Hedgepodge', '40 — Camel, W.W.I plane', etc.

© New York Times, edited by Eugene Malachuk.

World Stock Markets

Via Agence France Presse Closing prices in local currencies, Dec. 23

Table of stock market data for various countries including Amsterdam, Brussels, Frankfurt, London, Milan, Paris, Rome, Tokyo, and Zurich. Columns include stock names and closing prices.

New Texas Thrift Rescue Is to Cost \$1.85 Billion

By Thomas C. Hayes. DALLAS — In another costly rescue of insolvent Texas savings institutions, the Federal Home Loan Bank Board has pledged an estimated \$1.85 billion over the next 10 years as part of a recapitalization that merged 15 savings units in the state.

Table with columns 'ACROSS' and 'DOWN' containing crossword puzzle answers such as 'Splendor', 'City on the Ganges', 'Bundle of wheat', etc.

BOOKS

DANGER AND SURVIVAL: Choices About the Bomb in the First Fifty Years. By McGeorge Bundy. 735 pages. \$24.95. Random House, 201 East 50th Street, New York, N. Y. 10022.

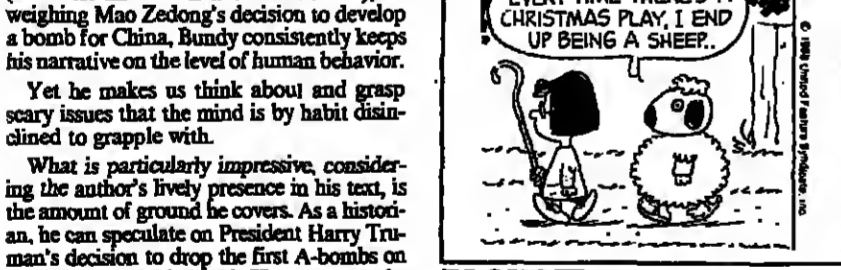
WEATHER

Table of weather forecasts for Europe, Asia, North America, Latin America, and Oceania. Columns include region, high, low, and conditions.

DENNIS THE MENACE



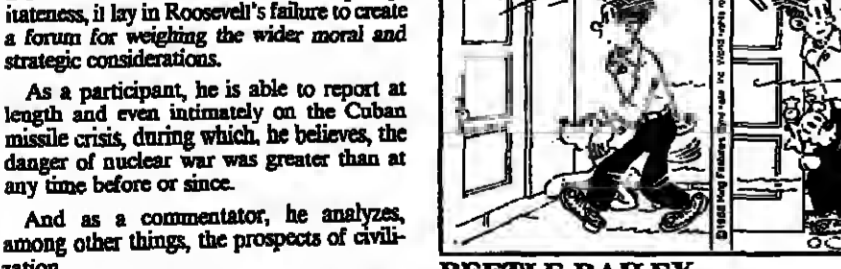
PEANUTS



WIZARD OF ID



BLONDIE



REX MORGAN



BEETLE BAILEY



GARFIELD



Solution to Last Week's Puzzle. A grid of numbers and letters corresponding to the crossword puzzle.

DOONESBURY cartoon strip showing characters in a room.

BOARD

Large vertical advertisement for a board game, featuring a grid of numbers and text.

SPORTS

NCAA Feels It's Beating The Cheaters

Nobody is predicting the end of cheating in college athletics, but the NCAA thinks the war is being won. "I think we have turned the corner," said Dick Schultz, the NCAA's executive director.

Twelve schools were put on probation in 1988, a year that also saw the NCAA win a landmark victory in the U.S. Supreme Court. In a 5-4 ruling, the court said the NCAA did not violate the constitutional rights of Jerry Tarkanian, Nevada-Las Vegas basketball coach, when it ordered the school to suspend Tarkanian for two years.

Penalties Follow Coach Gary Moss has left West Texas State, but the penalties the NCAA levied Thursday will follow its former basketball coach in what is believed to be the first such ruling of its kind, The Associated Press reported from Canyon, Texas.

SCOREBOARD

Table with columns for Hockey, Basketball, and Baseball. Includes sub-sections like 'NHL Standings', 'NBA Standings', and 'Baseball'.

TRANSITION

GREEN BAY - Judge Robert Porras, president, will retire in June. NATIONAL HOCKEY LEAGUE - Suspended John Kerris, Toronto, for some time for hitting Keith Acton of Edmonton in game Dec. 14.

Some Coaches Seem to Get Straight A's at the U. of Ignorance

By Ira Berkow

VANTAGE POINT

replacement drink maker, speaking engagements, television commercials, inside dope on investors (a recent insider trading scandal involved Switzer, but he was cleared of wrongdoing), plus free houses and pools and cars.

And they get all this because they win, or are expected to. Sherrill, in fact, in 1982 received a contract from Texas A&M for \$1.6 million for six years, making him the highest-salaried individual in higher education in America.

And in big-time college sports, the presidents of the universities, the regents, the alumni, the boosters, the coaches and the players, among others, have all been party to the entire sham of the gross overemphasis of sports in an academic setting.

Bruno: 'Peak Time'

By Warren Getler

British Challenger Says He's Ready For Tyson, but Others Have Doubts

LONDON — Frank Bruno, the brawny British boxer who will challenge Mike Tyson for the world heavyweight championship on Feb. 25 in Las Vegas, looks and sounds like he's ready for the fight.

But British fans are worried not just by the awesome punch that "Iron Mike" Tyson packs but by the fact that their "Bomber" hasn't stepped into the ring for a fight since October 1987, when an easy victory over the 37-year-old Joe Bugner of Australia raised his record to 32-2.

against Tim Witherspoon in July 1986, when the referee stopped the fight in the 11th round, and against James "Bonecrusher" Smith, who in May 1984 knocked out Bruno.

Tall, True Centers Becoming an Endangered Species in NBA

By Sam Goldaper

Outstanding centers have become so rare that many NBA general managers and coaches feel the game may undergo basic changes over the next several years.

Walsh used the Pacers' first draft pick last June to select Rik Smits, a 7-4 center out of Marist. Ordinarily, Smits, a raw talent who needs training, would not have been worth the gamble of the second pick in the draft.

Without big men, the pro game is undergoing a change. The Washington Bullets and the Phoenix Suns are trying to make do without legitimate centers, albeit unsuccessfully.

In Denver, Doug Moe, the Nuggets' coach, has been very successful covering up for the lack of an overpowering center with an offense that keeps all five of his players moving all the time in an effort to pull teams with good centers away from the basket.

Moscow Considers Soviet NHL Team

The Associated Press

MOSCOW — The Soviet Union is considering an offer to field a team in the National Hockey League, the weekly Moscow News has reported.

The director of foreign economic relations for the state sports committee, Victor Galats, told the newspaper, "We are looking at a suggestion from our partners on the other side of the ocean."

And the coaches have a substantial financial interest in encouraging the luring of star players. For the coaches here, a marvelous racket going. The big-time guys like Switzer may earn a half a million dollars a year, and more. Switzer's base salary as a staff member of the university (he is not a faculty member and so has no tenure and can be fired) is \$87,000.

And in big-time college sports, the presidents of the universities, the regents, the alumni, the boosters, the coaches and the players, among others, have all been party to the entire sham of the gross overemphasis of sports in an academic setting.

Rescue Billion

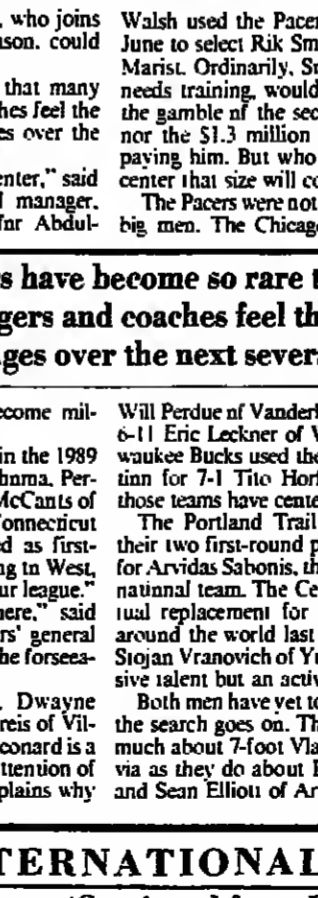
consolidated will initially operate 39 branches of the former institutions, the bank board said, including Thursday's action, regulators have closed or liquidated 69 institutions in Texas at an estimated cost to the Federal Savings & Loan Insurance Corp. of \$7.1 billion over the next 10 years.

together, the bank board has had 175 savings institutions and the United States this at an estimated cost to the F.S.L.I.C. of \$24 billion.

to Congress plans to consider a taxpayer rescue of the F.S.L.I.C. in January.

to Our Readers Canadian stock market prices are not available for the column due to transmission problems.

BRUCE MENACE



There's no snow, no ice, and no tell me I don't know!

Browns-Oilers Game Will Hinge On The Small Men at the Corners

By Thomas George

New York Times Service

NEW YORK — The American Conference wild-card game of the National Football League playoffs, at Cleveland Stadium Saturday afternoon, could turn on big plays by the smallest men.

When Houston meets Cleveland, expect Ernest Givins and Drew Hill of the Oilers and Frank Minnifield and Hanford Dixon of the Browns to nudge the field and set a pace that everyone else will have to try to match.

Givins and Hill are lightning-quick receivers, Dixon and Minnifield are speedy cornerbacks. In the NFL, where size is often paramount, all four are relatively small. Givins, Hill and Minnifield are 5 feet, 9 inches (1.75 meters) and Dixon is 5-11. Hill weighs 170 pounds (77 kilograms), Givins 172, Minnifield 185 and Dixon 195.

But in Dixon and Minnifield, the Browns have two All-Pro cornerbacks widely regarded as the best pair in the league. Dixon is in his eighth season, Minnifield his fifth with Cleveland after two in the U.S. Football League.

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POSTCARD French Side of Hanoi

By Keith B. Richburg Washington Post Service HANOI — Japanese television crews are here. American war veterans are here. Taiwanese businessmen are here. Even an American English teacher is here.

The Dangerous Race to Make 'Liaisons'

By Robert Lindsey New York Times Service LONDON — One morning, as London savored a rare Indian summer, Stephen Frears boarded a jet at Heathrow Airport for Los Angeles.



Stephen Frears (left) directed John Malkovich and Michelle Pfeiffer in "Dangerous Liaisons."

"Dangerous Liaisons" would have to open in the United States in December in order to qualify for the Academy Awards in March. He finished the editing with three weeks to spare.

sexual revenge plotted by a beautiful, promiscuous French woman, the Marquise de Merteuil, portrayed by Close. Angered when a lover spurns her for a 15-year-old virgin, she offers herself to a former lover, the Vicomte de Valmont, played by Malkovich.

response to Frears was chilly. "His reputation was as a filmmaker of subversive English films," Hampton says, "and people were sort of nervous to entrust this to him."

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